

IC 6-3.1-22.2

Chapter 22.2. Rerefined Lubrication Oil Facility Credit

IC 6-3.1-22.2-1

"Pass through entity" defined

Sec. 1. As used in this chapter, "pass through entity" means:

- (1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- (2) a partnership;
- (3) a limited liability company; or
- (4) a limited liability partnership.

As added by P.L.291-2001, SEC.149.

IC 6-3.1-22.2-2

"Rerefined lubrication oil" defined

Sec. 2. As used in this chapter, "rerefined lubrication oil" means base oil:

- (1) manufactured from at least ninety-five percent (95%) used oil; and
- (2) that is not more than two percent (2%) previously unused oil;

created by a refining process that effectively removes physical and chemical impurities and spent and unspent additives to the extent that the base oil is capable of meeting industry standards for engine oil (as defined by API 1509).

As added by P.L.291-2001, SEC.149.

IC 6-3.1-22.2-3

"State tax liability" defined

Sec. 3. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

- (1) IC 6-2.5 (the state gross retail and use tax);
- (2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- (3) IC 6-5.5 (the financial institutions tax); and
- (4) IC 27-1-18-2 (the insurance premiums tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

As added by P.L.291-2001, SEC.149. Amended by P.L.192-2002(ss), SEC.117.

IC 6-3.1-22.2-4

"Taxpayer" defined

Sec. 4. As used in this chapter, "taxpayer" means an individual or entity that has any state tax liability.

As added by P.L.291-2001, SEC.149.

IC 6-3.1-22.2-5

Entitlement to credit

Sec. 5. Subject to section 9 of this chapter, a person is entitled to

a credit against the person's state tax liability in a taxable year for a percentage of the ad valorem property taxes, excluding interest and penalties, paid by the taxpayer in the taxable year for the following:

- (1) Real property on which a facility that processes rerefined lubrication oil is located.
- (2) Personal property used in the processing of rerefined lubrication oil, including personal property used in the transportation of rerefined lubrication oil to and from the processing facility.

As added by P.L.291-2001, SEC.149.

IC 6-3.1-22.2-6

Amount of credit

Sec. 6. (a) The amount of the credit to which a taxpayer is entitled under this chapter equals the product of:

- (1) the percentage prescribed in subsection (b); multiplied by
- (2) the amount of the ad valorem property taxes, excluding interest and penalties, paid by the taxpayer in the taxable year on the tangible property described in section 5 of this chapter.

(b) The percentage of the credit referred to in subsection (a)(1) is as follows:

YEAR	PERCENTAGE OF THE CREDIT
2001	100%
2002	80%
2003	60%
2004	40%
2005	20%

As added by P.L.291-2001, SEC.149.

IC 6-3.1-22.2-7

Credit for shareholder, partner, or member of pass through entity

Sec. 7. If a pass through entity is entitled to a credit under section 5 of this chapter but does not have state tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

As added by P.L.291-2001, SEC.149.

IC 6-3.1-22.2-8

Carryover of unused credit

Sec. 8. A taxpayer is entitled to carry forward, for a period not to exceed two (2) years, any unused credit under section 6 or 7 of this chapter.

As added by P.L.291-2001, SEC.149.

IC 6-3.1-22.2-9

Requests for determinations

Sec. 9. To be entitled to a credit under this chapter, a taxpayer must request the department of commerce to determine if the taxpayer is entitled to the credit under this chapter. A taxpayer must make the request to the department of commerce in the manner and on forms prescribed by the department of commerce.

As added by P.L.291-2001, SEC.149.

IC 6-3.1-22.2-10**Expiration of chapter**

Sec. 10. This chapter expires January 1, 2006.

As added by P.L.291-2001, SEC.149.